



NEWS

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Commissioner Wooley Unveils Hurricane Mediation Program

Residents whose Hurricane Katrina or Hurricane Rita insurance claims are in dispute will soon be offered a possible solution at no cost to them. Commissioner of Insurance Robert Wooley has established a mediation program through which a neutral third party meets with the policyholder and the insurance company in an attempt to resolve the dispute and quickly settle the claim. The program is set to begin in early January.

The Commissioner is requiring all insurance companies in Louisiana to notify their policyholders with claims disputes about the program, regardless of whether a check has been issued. Wooley says the mediation program is mandatory for insurance companies but voluntary for policyholders. "One good thing about mediation is that the insurance company pays for it, so there is no financial burden on the policyholder," Wooley contends. "Plus, mediation is very informal and requires that no attorney be present, unless you choose to bring one with you."

Commissioner Wooley says mediation is non-binding, so neither the policyholder nor the company is legally obligated to accept the mediator's settlement recommendation. "Even if a policyholder accepts a settlement at mediation, they have up to three days to change their minds as long as they notify their insurer," Wooley adds. The Commissioner also says that choosing mediation does not prevent a policyholder from participating in other dispute resolution procedures.

The mediators being used for this program are chosen from the Louisiana State Bar Association's approved list of mediators by the program's administrator, the American Arbitration Association (AAA). AAA will also use as mediators those persons who are qualified under the Louisiana Mediation Act.

Policyholders wanting to try mediation as a possible means to solve their disputed residential property claims can call AAA at 1-800-426-8792, or they can contact their insurance company or agent to schedule the proceeding. AAA can also be found on the web at www.adr.org.